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C O N F I D E N T I A L SECTION 01 OF 02 YEREVAN 002597

SIPDIS

STATE FOR EUR. DAS LAURA KENNEDY, EUR/CACEN, EUR/SNEC AND EUR/RPM
DEFENSE FOR OSD/EURASIA

E.O. 12958: DECL: 12/02/2014
TAGS: PREL PARM MARR MOPS AM
SUBJECT: ARMENIA'S CHOD TALKS ABOUT IRAQ, AZERBAIJAN AND
CLOSER TIES WITH THE U.S.

Classified By: Ambassador John M. Evans for reasons 1.4 (b) and (d)

Summary

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- 11. (C) In his first meeting with the Ambassador, General-Colonel Mikhael Harutiunyan expressed Armenia's readiness to send its military contingent to Iraq once the government had completed the necessary review and approval. He commented on the budgetary challenges facing the MOD and the attempts of both Armenia and Azerbaijan to increase their military capabilities. The Ambassador inquired about the apparent acceleration of an arms race in the South Caucasus.. Harutiunyan repeated Armenia's desire to spend all of its available FMF funds on modernizing its military communications system. End Summary.
- 12. (U) On December 1, the Ambassador paid his initial office call on Armenia's First Deputy Minister of Defense and Chief of the Main Staff, General-Colonel Mikhael Harutiunyan. With Harutiunyan was General-Major Mikhael Melkonyan, Head of the MOD's Department of Foreign Relations and Military Cooperation. DATT and ODC Chief accompanied the Ambassador.

## U.S. Visit Praised

13. (C) Harutiunyan opened by stating his gratitude to the U.S. for arranging his recent counterpart visit with the Chairman of the Joint Chiefs of Staff and proudly showed the Ambassador the Legion of Merit he was awarded during the visit. He commented on the importance of the visit in developing deeper U.S.- Armenian military relations. He praised the professionalism of the U.S. generals he met, noting that although U.S. generals represent the most powerful military in the world, they are not overbearing and Harutiunyan felt he was treated as an equal. He contrasted this with the attitude of Russian generals, whom he described as "rude."

Court Ruling on Iraq Deployment Postponed

14. (C) Harutiunyan reported that the Constitutional Court would begin to review the terms of the planned deployment to Iraq on December 8. He added that the Armenian soldiers are fully trained at ready to deploy at any moment. He mentioned that Armenia is discussing the possibility of its soldiers using the trucks left behind when Hungary pulls its transportation unit out of Iraq. He seemed to favor this option, noting that the Hungarian trucks were newer and more capable than the trucks Armenia is planning to deploy. Harutiunyan acknowledged that many Armenians are concerned about the safety of Armenian communities in the Middle East should the deployment go forward and stated that political opposition will try to use this to score points against President Kocharian.

## The Military Balance

- 15. (C) The Ambassador asked Harutiunyan to comment on what could be perceived as an arms race developing between Armenia and Azerbaijan. Harutiunyan acknowledged that Azerbaijan has superior manpower and financial resources. Armenia is therefore choosing to focus its resources on maintaining a high degree of training and readiness in the military. He emphasized that the MOD will continue to modernize its military hardware, such as T-72 tanks and BMP armored infantry fighting vehicles to make them more mobile and capable. He confirmed that the MOD is in the process of acquiring 10 SU-25 ground attack aircraft from Slovakia.
- 16. (C) The Ambassador then mentioned that Defense Minister Sargsyan had recently called for an increase in the defense budget for 2005. Harutiunyan stated that these increase were necessary to provide across-the-board pay increases for the military and to compensate for the rise in costs associated with the fall in the value of the dollar. He mentioned that this has affected prices in Armenia in general, but singled

out fuel as one area of particular concern.

- 17. (C) Harutiunyan stated that the Azerbaijani military was in no position to undertake offensive operations, since it did not have the combat power to overtake Armenian defensive positions that have been steadily improved over the course of 12 years. Because of the entrenched positions on both sides, he predicted that whichever side initiated offensive actions in would lose any conflict. Harutiunyan added that Armenia would not give Azerbaijan a pretext for restarting the conflict, but warned that Azerbaijan would attack as soon as it felt confident in the possibility of victory.
- 18. (C) Harutiunyan voiced his concern that a relatively minor incident along the line of contact could start a chain reaction which could lead to renewed hostilities. At this point he noted that Azerbaijani forces had captured three Armenian soldiers who got lost in the fog along the line-of-contact three days earlier. He claimed that Azerbaijan was not responding to Armenian attempts to discuss the release of the soldiers. (Note: This is not the first time this has occurred; in a follow-up call, MOD officials told us that the three Armenian soldiers are now in Baku. Another Armenian soldier who wandered from his post was also taken by Azeri forces, claims the MOD. Armenia has one Azeri soldier in custody and claimed it sought to make an exchange, but with no success. End note.)
- 19. (C) Harutiunyan claimed Baku was increasing its military budget for 2005 by USD 57 million and that Azerbaijan was receiving military support from Pakistan and Saudi Arabia. He alleged that Azerbaijan had already exceeded its CFE-imposed limits for tanks by 50 percent and artillery by 300 percent.

## Continued Focus on Military Communications

110. (C) Harutiunyan took the opportunity to repeat his desire for the U.S. to permit Armenia to focus all of its available FMF funding on modernizing its military communications system until the project is complete. He criticized the suggestion that Armenia consider spending FMF on its peacekeeping battalion before the communications modernization is finished, stating that this modernization effort should be completed as quickly as possible due to the danger of maintaining two incompatible communications systems. After ODC Chief noted that the FMF program was not designed for long-term equipment procurement, he contended that the U.S. agreed in principle to allow Armenia to implement this project when Armenia declared its intention to fully modernize its military communications two year ago. Perhaps not noting the contradiction in his request, Harutiunyan repeated a request for the U.S. to help the MOD develop a peacekeeping brigade.